

Report to Planning and Environment Committee

To: Chair and Members
Planning & Environment Committee
From: Gregg Barrett
Director, Planning and City Planner
Subject: 2019 State of the Downtown Report
Date: January 18, 2021

Recommendation

That, on the recommendation of the Director, Planning and City Planner, the *2019 State of the Downtown Report*, attached as Appendix “A”, **BE RECEIVED** for information purposes.

Executive Summary

State of the Downtown reports provide a snapshot of the economic health and vibrancy of downtown, and the individual and collective impacts of activity and investments over a period of time. Data is collected and analyzed, and the reports are prepared every two years. The *2019 State of Downtown Report* is the ninth report prepared by the City and contains information from 2018 and 2019. This iteration of the report does not reflect the impacts of COVID-19 on the current state of the Downtown.

Linkage to the Corporate Strategic Plan

Municipal Council’s 2019-2023 Strategic Plan identifies “Building a Sustainable City” and “Growing our Economy” as strategic areas of focus. Revitalizing London’s downtown and urban areas is a strategy within both those strategic areas.

Monitoring the health and vitality of the downtown ensures that the City is making wise investments in the core, as well as sharing the story with our partners and the public of how the cumulative impact of both public and private investment are helping the downtown to grow and evolve over time, and to become a vibrant, viable neighbourhood.

Analysis

1.0 Background Information

1.1 Previous Reports Related to this Matter

Previous State of the Downtown Reports submitted for 2003, 2005, 2006, 2009, 2011, 2013, 2015 and 2017.

2.0 Discussion and Considerations

2.1 Scope of this Report

This report covers the two-year period between January 1, 2018 and December 31, 2019. The information in the report provides a review of activity, events, and change for several factors for that period, and where data allows, a comparison to previous years.

The impact of the COVID-19 virus and pandemic is not reflected in this report; it will be captured in the 2021 State of the Downtown Report. Staff has started to collect information for the 2021 report and are participating in discussions about the impact of COVID-19 on Canadian downtowns and the many recovery efforts being put in place.

Based on plans approved in 2018 and 2019, and 2020 reporting to date, Staff anticipates that downtown construction activity will remain relatively stable. The City’s investment in downtown infrastructure has and will continue in 2020 and 2021 through projects including the Core Areas Sewer Separation Program, the East-west Cycle

Track implementation, and the Rapid Transit Downtown Loop. The City's investment in the *Core Area Action Plan* implementation and the financial incentive programs will also continue.

Like downtowns everywhere, businesses requiring foot traffic (retail, restaurants), the recreation and programming sector, and entertainment and hospitality sectors (concert venues, hotels, event organizers) have been the most affected. Although the impacts will be severe and recovery very difficult, Staff also anticipates that the next State of the Downtown Report will be able to illustrate new initiatives and innovative responses to some of the challenges presented by COVID-19 including new technological approaches to issues, innovative programs, and new collaborations and partnerships.

2.2 The Importance of Downtowns

The London Plan emphasizes inward and upward growth to create a compact, mixed-use city. It highlights the Downtown as the focus for residential intensification, commerce, employment, and economic growth. Downtown will also be planned for a high degree of pedestrian amenity, making it a great place to live, shop, work, and play.

The importance of downtowns to a city's economy is increasingly being recognized in Canada and throughout North America. In 2013, the Canadian Urban Institute (CUI), in partnership with the International Downtown Association, released *The Value of Investing in Canadian Downtowns* – the first large-scale attempt to measure, benchmark, and assess the impact of municipal and private investment across 17 Canadian downtowns. The State of the Downtown reports build on this and allow us to assess the collective impact of the City's strategic policies, programs, and investments by the municipality, the private-sector, and the non-profit sector.

It is important to continue to invest in the downtowns of our cities for many reasons, and key strengths and value can be summarized in five main areas:

1. Downtowns are leading economic drivers for cities.

Although downtowns are usually small in area compared to the city, they are typically the locations of the most employment opportunities (and often most diverse employment opportunities), head offices, concentration of office space, and contribute a greater percentage of tax revenue per area than other parts of a city. Monitoring employment activity in London's downtown will be extremely important in the coming years as we see changes to how and where people are working because of the pandemic.

2. Downtowns are inclusive.

Downtowns are usually where you see the most diversity, inclusivity and open-mindedness in places. Downtowns are concentrations of civic and institutional buildings, and provide accessible public space, transportation, opportunities, and services for everyone.

3. Downtowns are vibrant.

The concentration of both public and private destinations, activities and spaces are a draw for people who live, work, and visit a city. Downtowns are cultural and entertainment hubs and supporting this aspect of downtown has both economic and cultural benefits. Supporting London's downtown destinations, venues and independent businesses has been, and will need to continue to be, a key focus moving into 2021 and beyond.

4. Downtowns have cultural significance.

Downtowns represent the essence of a city and are still the first place we take visitors – they are areas that distinguish a city from somewhere else. They are a visual representation of the health and well-being of a community, and a reflection of local culture. Most built heritage and public space in a city are often in and surrounding downtown, creating a unique sense of place and vibrant public realm, both of which attract people and investment.

5. Downtowns can be models of sustainability and resiliency

Downtowns are compact, interconnected, dense, diverse, and predominantly mixed use in form. They are surrounded by established neighbourhoods, connected to transportation hubs and tend to provide infrastructure prioritizing pedestrians and cyclists. As they are already serviced by infrastructure and have received investment over the past decades, they are economically and geographically efficient places for growth and redevelopment. They can be models for sustainable development and innovation, providing opportunities for new modes of transportation, and the (re)use of existing infrastructure and buildings.

Downtowns are unique, complex, interconnected systems in which many people, businesses, and organizations play key roles in its growth and change over time. Supporting a healthy and vibrant downtown is a long-term and ongoing process, requiring unique approaches, continued commitment, partnerships, resources, innovation and passion.

2.3 Why Track the Impact of Revitalization Measures?

City Planning, with the assistance of other City Service Areas, businesses, agencies and organizations, tracks changes in the downtown to assess the impacts of both short-term and long-term investments. Monitoring and reporting on this data provides empirical evidence to help inform strategy and investments in the downtown. It also helps to measure progress being achieved through the Downtown Community Improvement Plan and associated financial incentive programs.

Downtown dynamics and economies are interrelated, and investment in one area can have significant spin-off benefits in others. The State of the Downtown reports provide a snapshot in time of the health of downtown and the individual and collective impacts of our investments.

2.4 History of Investments in Downtown

The revitalization of downtown has been a key focus of the City for many years.

In 1986, financial incentives programs for the downtown were initiated (Façade Improvement Loan) and continue to this day.

The *Downtown Millennium Plan*, prepared in 1998, was recognized by the International Downtown Association (IDA) as a key driver for revitalization in the downtown. Due to this plan, over \$100 million was invested in public facilities including Budweiser Gardens (formerly John Labatt Centre), the Central Library and Covent Garden Market. These investments have dramatically increased the number of visitors to downtown, continue to have economic spin-off benefits (e.g. to other businesses and destinations), and continue to stimulate assessment growth through private sector development in downtown.

Our Move Forward: London's Downtown Plan was adopted in 2015 and focuses on investment in the public realm. This plan highlights strategic directions for planning and design decisions and outlines 10 transformational projects that focus on large-scale improvements to public spaces and facilities. One of these, Dundas Place, was completed in 2019. Through many stakeholders including the City of London, the private sector, and social-profit organizations, the vision of *Our Move Forward* is continually incorporated into downtown projects.

In November 2019, Council received the *Core Area Action Plan* which outlined approximately 70 initiatives to help support the downtown. Through the 2020-2023 Multi-Year Budget, funding was approved for many of those initiatives, highlighting the City's continued commitment to the vitality of the downtown.

2.5 Changes to the Report Format and Measures

The attached *2019 State of the Downtown Report* adopts the format of the 2017 report, and slightly expands the measures being reported. Like the 2017 report, this iteration demarcates new sections that have been added to the report with a 'NEW' icon. Key facts and figures are included throughout the report.

3.0 2019 State of the Downtown Report Highlights

- Dundas Place, the first Transformational Project in *Our Move Forward, London's Downtown Plan*, was completed in 2019.
- In 2018 and 2019, seven different projects/initiatives in the downtown won awards including 2 International Downtown Association (IDA) awards, 4 London Heritage Awards and 1 Urban Design Award.
- In 2019, the downtown – 0.2% of the city's land area - contributed 5.5% of the total municipal taxes.
- The assessment value of downtown has increased by 70% over the past 10 years, reaching \$1.96 billion in 2019.
- For 2018 and 2019, the total construction value in the downtown for residential, commercial, institutional, and industrial project totaled over \$143 million.
- In 2018 and 2019, a total of 134 affordable housing units were added to the downtown.
- Four downtown technology companies were featured on the 2019 annual ranking of 500 of Canada's Fastest Growing Companies.
- The second building in Fanshawe College's Downtown Campus successfully opened in 2018; drawing over 3,300 student and 250 staff/faculty in total to the downtown.
- Almost 40,000 people are employed in jobs in the downtown - 19% of all jobs in the city.
- Downtown retained approximately 75% of London's total supply of office space.
- Music, entertainment, and cultural events drew over 5.5 million people to indoor and outdoor downtown destinations in 2018 and 2019.
- The City hosted the 2019 JUNO Awards and Home County Music & Art Festival, producing a combined total of almost \$18 million impact on the economy.
- Community Improvement Plan financial incentives contributed approximately \$1.24 million in loans during this two-year period, leveraging \$3.35 million in private sector investment.

Conclusion

The *2019 State of the Downtown Report* provides a snapshot of the economic health, prosperity, and vibrancy of the downtown for the period between 2018 and 2019.

City Planning has started collecting information for the *2021 State of the Downtown Report*, which will be released in 2022. It is our intent to continue to report on the broadened range of revitalization measures, verify the accuracy of the information, and present the results in a clear informative format for Council, City staff, businesses, private investors, downtown stakeholders, and the public.

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